



SOMANY CERAMICS LIMITED

Q1'FY16 - Investor Update

July 2015

Message



The state of real estate and in turn building and construction material industry remained sluggish. Despite challenging time, Somany has yet again delivered decent set of numbers maintaining its tradition of growth above the industry average.

While the yoy growth of net sales during the quarter was 18.6%, the EBIDTA, PBT and PAT growth was also higher at 20.1%, 31.7% and 30.0% respectively

To sustain the growth momentum in future Somany is taking steps to add additional tile manufacturing capacity of ~8 million square meters per annum within next twelve months post which its access to capacity shall go up to ~60 million square meters.

Though there is an air of cautious optimism around Indian economy, we at Somany are bullish about its future growth prospects in general and our industry in particular especially in the backdrop of various initiatives being taken by the incumbent government which would fructify in near future.

Key Government Initiatives

GDP uptick

- Improved Economy to lead to increased demand for residential units and commercial office spaces

Smart Cities

- Offers opportunities through varied measures such as Increased Infrastructure in terms of roads, houses, green spaces, education institutions, improved services to citizens
- Aims to improve quality of life

Dedicated Freight Corridor

- Will result in creation of multiple towns and cities along the corridor
- Lead to reduction in transportation time between states thereby lowering working capital requirement

Swachh Bharat Abhiyan

- Government's pet project which aims to improve the sanitation facility in the country
- Aims to make India Open Defecation Free (ODF) and will drive demand for Tiles & Sanitaryware
- Large corporate investments as part of CSR to strengthen the initiative and boost demand prospects

Housing for All

- Government aims to provide housing for all by 2022
- Will require an investment of USD 2 trillion in providing ~11 crore houses
- Will catapult the demand for Building materials



Business Overview



Operational Performance

- Q1'FY16 tiles sales volume at 10.71 msm vs 9.39 msm, a growth of 14.1% YoY
- Sales mix in Q1'FY16 - Own manufacturing (36%), JV (41%) and Others (23%)



Financial Performance

- Net Sales increased by 18.6% YoY to Rs. 391.46 cr in Q1'FY16
- Q1'FY16 PBT grew by 31.7% to Rs. 16.08 cr with margin at 4.1%
- Q1'FY16 PAT grew by 30.0% to Rs. 10.49 cr



Capacities

- Current Access to capacity at ~52 msm p.a.
- Somany Fine Vitrified Private Ltd, a subsidiary company to commence production of 4.29 msm p.a. of polished vitrified tiles in October, 2015
- Brown field expansion at Kassar plant to produce 4.00 msm of glazed vitrified tiles is expected to be commissioned in Q1'FY17

msm - million square meter

Business Overview



Geographical Sales for Q1FY'16 came in at - North (40%), South (28%), West (11%), East (15%) and Exports (6%)

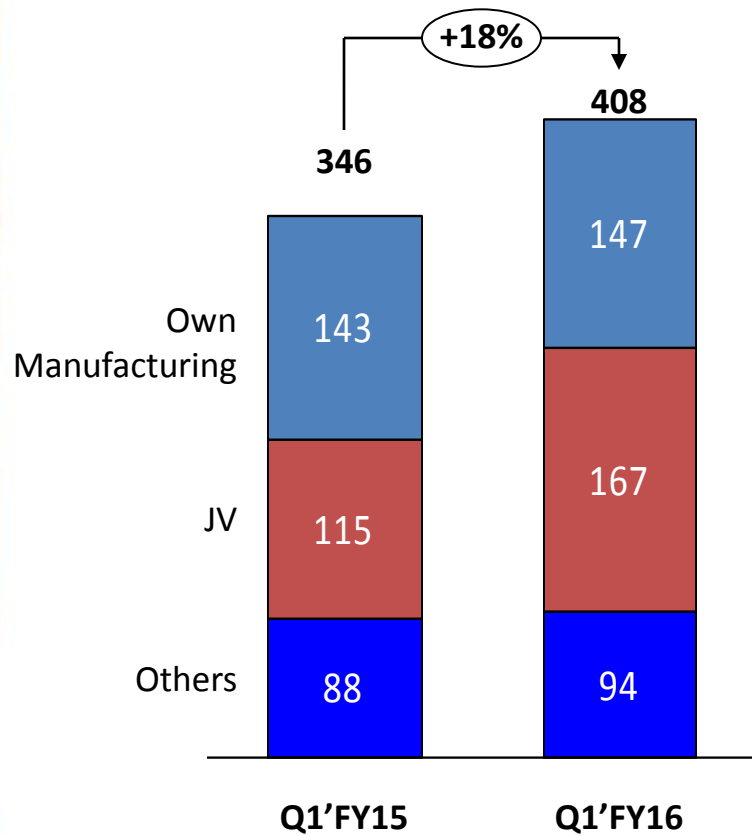
Sanitary ware and bath fittings sales grew by 35.5% YOY at Rs. 20.89 cr for Q1'FY16

Exports grew by 77.5% YOY at Rs. 23.75 cr for Q1'FY16

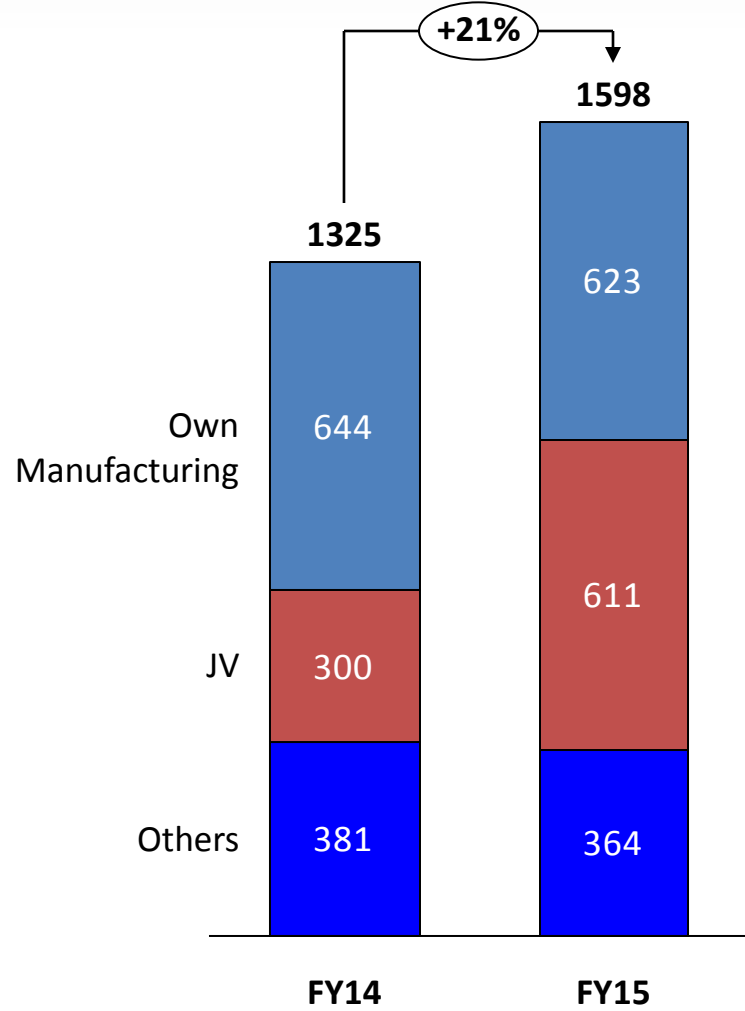
Sales Performance (Gross)



Q1'FY15 v/s Q1'FY16



FY14 v/s FY15

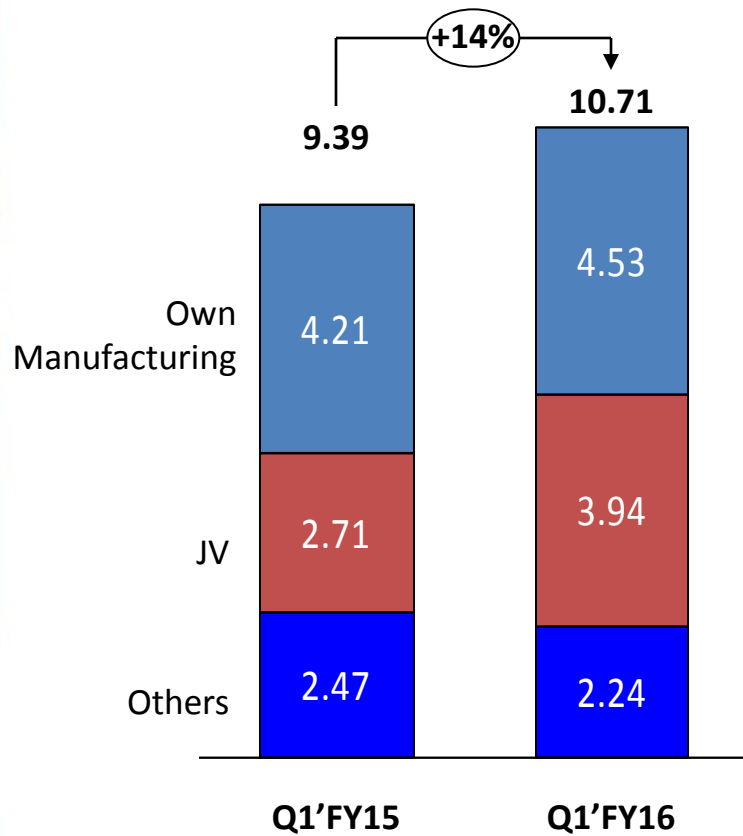


Figures in Rs. crores

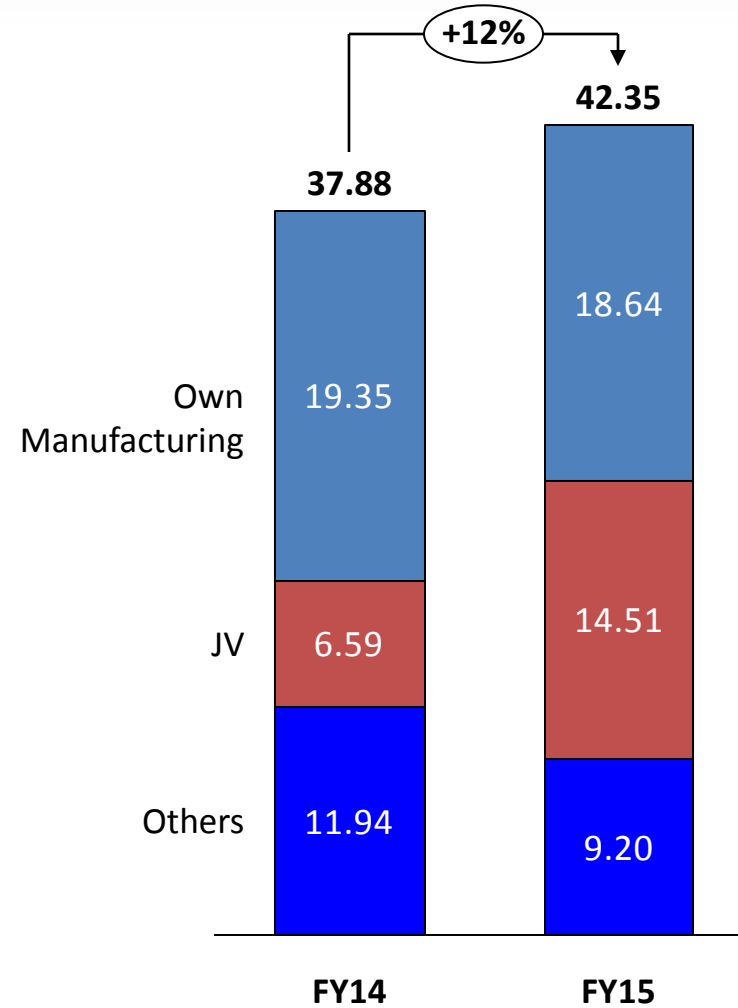
Volume Performance



Q1'FY15 v/s Q1'FY16



FY14 v/s FY15



Figures in million square meter

Access to Capacities



Own Plants (Tiles)	Location	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization in Q1'FY16
Kassar	Haryana	0.52	13.13	95%
Kadi	Gujarat	0.58	8.42	88%
Associates/ Subsidiary Plants (Tiles)	Equity Stake	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization in Q1'FY16
Vintage Tiles Pvt. Ltd.	26%	2.55	2.99	91%
Commander Vitrified Pvt. Ltd.	26%	2.04	4.76	96%
Vicon Ceramic Pvt. Ltd.	26%	3.98	3.98	92%
Amora Tiles Pvt. Ltd.	51%	2.14	4.58	79%
Acer Granito Pvt. Ltd.	26%	2.04	5.10	82%
Outsourced capacity with no equity stake - 9.00 MSM				
Associate Plant (Sanitary ware)	Equity Stake	Original Capacity (pieces p.a.)	Current Capacity (pieces p.a.)	Capacity Utilization in Q1'FY16
Somany Sanitary Ware Pvt. Ltd.	47.8%	303000	303000	88%

Owned capacity of 21.55 MSM p.a.

Associates'/ Subsidiary's plants current capacity at 21.41 MSM p.a.

Outsourced capacity of 9.00 MSM p.a.

Current capacity of 303000 pieces p.a.

Q1'FY16 Profit & Loss

Particulars	Q1'FY16	Q1'FY15	Growth
Net Sales	391.46	330.17	18.6%
EBIDTA	25.28	21.05	20.1%
Depreciation	4.83	5.13	-5.8%
Finance cost	4.37	3.71	17.8%
Profit before tax	16.08	12.21	31.7%
Tax expenses	5.59	4.14	35.0%
Profit after tax	10.49	8.07	30.0%
Basic EPS (Rs.)	2.70	2.08	29.8%

Standalone figures in Rs. crores

5 Year Profit & Loss - Standalone

Particulars	FY'11	FY'12	FY'13	FY'14	FY'15
Net Sales	708	870	1,046	1,256	1,531
EBIDTA	68	75	87	84	104
Depreciation	17	18	20	22	22
Finance cost	17	21	20	18	16
Profit before tax	34	36	47	44	66
Tax expenses	10	11	15	16	21
Profit after tax	23	25	32	28	44
Cash Profit	43	43	53	51	67
EPS (Rs.)	6.79	7.17	9.16	8.01	11.43

Figures in Rs. crores

5 Year Balance Sheet - Standalone

Particulars	Mar'11	Mar'12	Mar'13	Mar'14	Mar'15
Equity Share Capital	7	7	7	8	8
Reserves & Surplus	96	117	144	213	246
Net Worth	102	124	151	221	254
Total Debt	191	181	176	170	188
Net Block	176	194	209	219	237
Investments	2	6	9	22	24
Net Current Assets	137	128	133	165	188

Figures in Rs. crores

5 Year Profit & Loss - Consolidated

Particulars	FY'11	FY'12	FY'13	FY'14	FY'15
Net Sales	716	876	1,050	1,261	1,535
EBIDTA	70	75	88	84	115
Depreciation	18	18	20	21	26
Finance cost	18	21	20	19	21
Profit before tax	34	36	48	44	68
Tax expenses	10	11	16	15	22
Profit after tax	24	25	32	29	46
Cash Profit	44	43	53	53	74
EPS (Rs.)	6.92	7.28	9.28	8.25	11.94

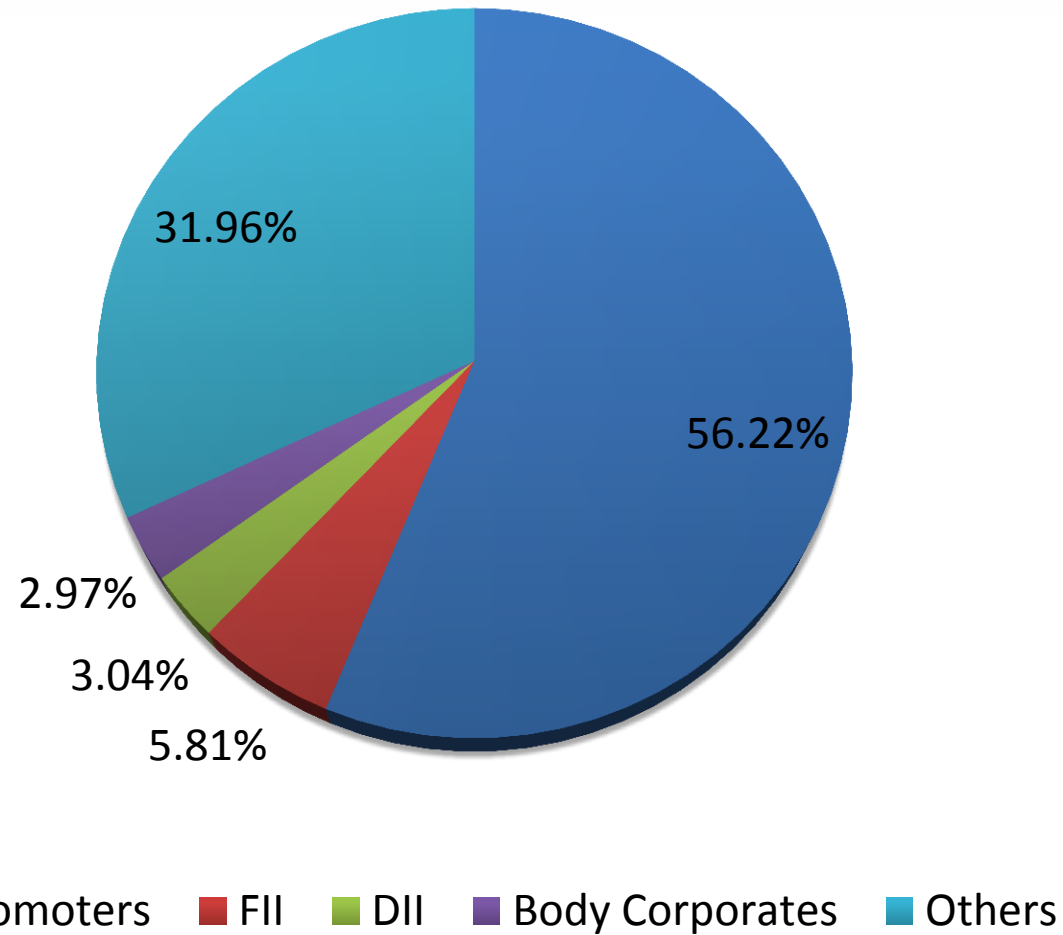
Figures in Rs. crores

5 Year Balance Sheet - Consolidated

Particulars	Mar'11	Mar'12	Mar'13	Mar'14	Mar'15
Equity Share Capital	7	7	7	8	8
Reserves & Surplus	97	121	146	215	250
Net Worth	104	126	153	223	258
Total Debt	194	181	177	189	210
Net Block	177	194	209	243	265
Investments	1	5	9	18	20
Net Current Assets	146	130	136	171	201

Figures in Rs. crores

Shareholding as on 30th June 2015



Total number of 38,844,826 Equity Shares of Rs. 2/- each

Disclaimer



The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire.



This Information may include certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be correct.



Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company.



This presentation may contain statements that are “forward looking statements.” The company’s actual future results may differ materially from those suggested by such statements, depending on various factors for which the company and its management does not take any responsibility.



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